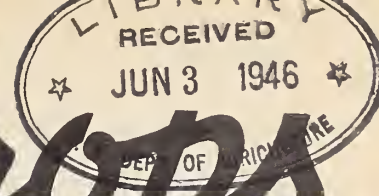


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Foreign Crops and MARKETS



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EXPORTS DEPENDENT ON IMPORTS

It is widely recognized that this or any other nation can hope to maintain a profitable and steady flow of exports only to the extent that it takes a corresponding volume of imports.

We shall need to export a certain volume of farm products that people of other nations want and are in a position to buy. To achieve such exports will require a vigorous and well conceived national policy for both imports and exports. In the case of imports, for example, we must plan carefully the type of products we want and need, and not reluctantly accept what may be thrust upon us.

Indiscriminate dumping of large amounts of agricultural products on foreign markets would soon lead to retaliation and new and more restrictive trade barriers. The most promising long-term solution of the export problem for farm products lies, it seems to me, in cooperation with other exporting and consuming nations to increase world consumption and assure each exporting nation of its fair share of world markets. An example of this type of action is the international wheat agreement, to which this country is a party. Such agreements, of course, should fit into a general framework for increasing world trade.

Claude R. Wickard

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COLOMBIA'S WHEAT PROSPECTS UNFAVORABLE

Another small wheat crop is expected in Colombia in 1944, after the small harvest of 1943. Estimates of the 1943 outturn varied from 2.2 to 3.7 million bushels, but even at the higher limit the crop appeared to be the smallest since 1938. The unfavorable prospects for the current crop, to be harvested largely in September-October, are the result of drought in April, followed by floods in May. In view of the small supplies and the unpromising prospects for the new crop, the measure limiting imports, in effect since 1942, was suspended in early August. Imports of limited quantities of flour also have been authorized. Also see Foreign Crops and Markets, July 3.

The principal wheat-producing region of the country is on the high plateau in central Colombia, though cultivation is fairly widespread through the eastern and central Provinces.

COLOMBIA: Wheat production, by region,
1942 with comparisons

1942 with Comparisons			
REGION	AVERAGE		1942
	: 1937-38 : 1939-40 :		
	: 1,000	: 1,000	: 1,000
	: bushels	: bushels	: bushels
Antioquia	4	1	3
Boyacá	1,208	2,073	1,470
Caldas	11	-	5
Cauca	69	192	228
Cundinamarca	1,504	2,075	1,653
Huila	-	20	-
Nariño	268	501	386
Santander del Norte :	185	223	165
Santander	77	97	276
Tolima	9	15	20
Valle del Cauca	-	29	-
Total	3,335	5,226	4,206

Estimates of Section of Rural Economy.

Wheat seeding is done largely in March. Though no estimate of the acreage seeded in 1944 has been received, the area is said to be slightly less than in 1943, when it was estimated at from 405,000 to 495,000 acres. Some increase in wheat acreage was expected to follow Government measures protecting domestic growers and the establishment of profitable guaranteed prices, but a number of factors tend to limit the expansion. Among the more important are small returns resulting from low yields per acre. Small yields are attributed largely to soil deficiencies, climatic conditions, and plant diseases. Campaigns for seed improvement and experiments with new varieties have been part of the Government's production program.

Though wheat production in Colombia is not large quantitatively, it forms an important part of the diet, especially in urban centers, and ranks after corn as the second largest grain crop in the country. Domestic supplies have never been large enough to fill requirements, and the country has been on an import basis, with imports ranging from 15,000 to 30,000 tons (about 550,000 - 1,100,000 bushels) during the 10 years preceding 1942. In 1942, however, with the aim of increasing domestic production, the Government set a limit of 16,000 tons (about 590,000 bushels) on imports of wheat during any calendar year. Imports in both 1942 and 1943 fell short of that figure, however, being reported at 365,000 bushels in 1942 and 445,000 in 1943.

Following the small 1943 crop, supplies were inadequate, and during the first 6 months of 1944 a serious flour shortage developed. In order to assure supplies, the limitation on imports was removed. After relaxation of import restrictions, lower quality domestic wheat was assured a market by means of mixing regulations requiring the use of large percentages of home-grown wheat in all parts of the country. Transportation charges are so high that most of the imported wheat has, in the past, been milled and consumed in coastal areas. Enforcement of the new regulations requiring admixture of domestic wheat with imported grain even in the coastal areas would cause considerable hardship in mills in those areas, since it would mean installing machinery for sorting and cleaning the domestic grain. It would also mean additional expense for mills having to pay heavy charges for transporting domestic grain from the interior.

Flour produced from domestic wheat varies greatly in quality, since most of the wheat grown in Colombia does not belong to

any standard variety. The lack of uniform quality is considered one of the chief obstacles to the country's self-sufficiency program, as high-grade products are still largely dependent on the admixture of imported wheat. Imported wheat can be milled at a higher extraction ratio than domestic grain, some mills reporting foreign wheat milled at 88 percent and domestic wheat at 81.5 percent.

The importance of foreign wheat in the country's milling operations for admixing with and improving the quality of the flour produced from domestic grain is great, since only soft wheat is produced in Colombia. Before the measure in 1942 limiting quantities of wheat that might be imported, from 15 to 20 percent of the wheat consumed in the country was imported. Most of the imports were from the United States and Canada with, however, considerable amounts coming from Argentina in some years.

The consumption of wheat in Colombia is reported to be increasing as rapidly as improved consumer income permits. Use of wheat is largely for food except requirements for seeding, which are estimated to be roughly 10 percent of the crop. The food products competing with wheat vary at dif-

ferent altitudes, the main competition in low lands being from yucca, corn, and plantains, in middle elevations from corn and plantains, and at higher altitudes from corn alone.

The Government has set the guaranteed price at the equivalent of about \$3.30 per bushel for average quality wheat at Bogota, with proportionate prices for other grades. Prices announced for wheat originally were stated to be minimum prices for deliveries to mills. In a resolution of May 23, 1944, however, the Director of Price Control announced that the greater part of the 1943 crop had been sold and that, in order to prevent speculation in the small stocks, no sales could be made at above-minimum prices.

A relatively high duty on imports protects the domestic product. The tariff rate on wheat is 0.08 peso per gross kilogram (about \$1.23 per bushel in United States currency) and on flour is 0.18 peso per gross kilogram (about \$4.50 per 100 pounds). In addition to the duty noted, a small coffee tax is levied on all foreign transactions, which raises the rate of exchange from 1.75 pesos to the United States dollar to 1.80 to the dollar.

*Based on reports from
American Embassy, Bogota.*

MEXICO'S EXPORT CROPS OF CHICKPEAS LOWEST SINCE 1936-37

Preliminary estimates place the 1943-44 Mexican production of chickpeas (garbanzos) for export at 428,000 bags (of 100 pounds each), which is the lowest since 1936-37, when only 161,000 bags were harvested. It is also lower than the 5-year average, 1935-36 to 1939-40, of 507,200 bags. A number of factors worked together to bring about this reduction in the size of the crop. Weather conditions during the planting season were unfavorable. Floods in November and as late as December 1943 caused much damage. Some growers replanted as many as four times, while others abandoned cultivation of chickpeas and turned to such crops as cotton and vegetable oilseeds, which could be planted at a later date. Failure to obtain the prices desired caused some growers to plant smaller acreages. Marketing and financing problems were also a contributing factor. Uncertainty about the export-tax (aforo) charges, which have fluctuated greatly in other years, made for smaller plantings.

Chickpeas for the export market are grown in the States of Sonora and Sinaloa, which lie in northwestern Mexico and front on the Gulf of California. Of the two, Sinaloa is the more important producer. In past years, for example 1934-35, chickpeas grown in these two States amounted to 77 percent of the total produced in Mexico.

Since that year, however, the Sinaloa and Sonora harvests have tended to decrease in terms of total national production. During 1942-43 the export crop amounted to 41 percent of the total harvest. If the current estimate holds true, the export crop will be only 28 percent of the total, as shown in the table on the following page.

**CHICKPEAS: Production of export crop in Sinaloa and Sonora
compared with remainder of Mexico, 1939-40 to 1943-44**

YEAR	SONORA AND SINALOA		OTHER STATES		TOTAL PRODUCTION
	PRODUCTION	PERCENTAGE	PRODUCTION	PERCENTAGE	
	OF TOTAL	OF TOTAL	OF TOTAL	OF TOTAL	
	Bags	Percent	Bags	Percent	Bags
1939-40	695,618	48.1	749,740	51.9	1,445,358
1940-41	881,862	55.3	714,026	44.7	1,595,888
1941-42	848,903	46.5	975,712	53.5	1,824,615
1942-43	668,214	40.6	976,351	59.4	1,644,565
1943-44 <u>a/</u>	427,693	28.2	1,088,102	71.8	1,515,795
	:	:	:	:	:

Compiled from official sources. In bags of 100 pounds.

a/ Preliminary estimates.

A large portion of the chickpeas grown outside of Sonora and Sinaloa are for live-stock feed and forage. In fact, in some States they are termed "porquero" because of their widespread use as feed for hogs. Presently the most important producing State of the Republic is Jalisco, the 1943-44 production estimate of which is 430,000 bags, or more than the combined total of Sonora and Sinaloa for the same year. Michoacan and Nayarit, which are also on the west coast, are other important producing regions. Guanajuato, a State which lies in the central portion of Mexico, is another important producer. The chickpeas produced in these last-mentioned States are of similar varieties to those found in California.

Chickpeas for export are generally planted on irrigated lands that have light, friable soils. The heavier-type soils are used for other crops. Land is prepared in September and planted in November, December, and January. A smaller portion of the crop is planted on unirrigated land, which is prepared in October. Harvesting of chickpeas takes place between February and June, with the period of heaviest activity being in April and May.

In terms of world production, Spain is, by far, the leading producer. Mexico and Turkey have competed for second position. Other important producing nations have been Portugal, Greece, French Morocco, and Italy.

Mexico exported about 59 percent of its total production during the 10-year period preceding the war. Chickpeas have been one of the most important commodities moving to

foreign markets. In 1940 they constituted the fourth most-important agricultural commodity exported from Mexico; value of exports in that year was about \$3,190,000.

During the 5-year period 1935-1939 an average of 652,000 bags was exported annually. In 1940 and 1941, respectively, exports totaled 760,000 and 965,000 bags. In 1942 a decrease of 50 percent occurred. In 1943 Mexico exported the largest quantity of chickpeas ever recorded. Foreign movement in that year was 28 percent larger than the previous high of 1,156,000 bags, which was exported in 1937.

From 1930 to 1935 the largest importers of chickpeas were Spain, Cuba, and the United States, the latter reexporting most of the quantity imported. During those years Spain took well over 50 percent of all Mexican exports. Since that time shipments to Spain have been reduced because of civil war and import embargos. In the early part of 1935 Spain established an import embargo, which restricted the entrance of Mexican chickpeas. This embargo was removed in the summer of 1936, but Spanish civil war had begun, and it was not possible to make direct shipments. Thus, in 1937, 1938, and 1939 chickpeas moving to Spain were first shipped to the Netherlands and reexported to Spain. Beginning in 1939, after the outbreak of war in Europe, the United States became the intermediary for shipments to Spain because commercial relations between that country and Mexico were suspended.

During the spring of 1943 the Commodity Credit Corporation entered into contract

with the National Union of Chickpea Producers (Union Nacional de Productores de Garbanzo) and agreed to purchase the exportable surplus of chickpeas, which had been accumulated because of cessation of trade with European and other countries. Since that time the United States has been the largest customer for Mexican chickpeas. Small exports have been made to Cuba, which has always been a regular market for this commodity.

Chickpeas have been purchased in Mexico on the basis of an average size of 48 to 50 peas per 30 grams of weight. Larger sizes usually have sold at a premium and smaller ones generally have paid a penalty. Usually about 60 to 65 percent of the Sonora and Sinaloa crop is made up of premium sizes.

Chickpeas moving into foreign markets have to pay two export charges. The first consists of an export duty, which runs about 38.50 pesos (\$7.94) per bag of 220 pounds. In most cases recognized producers' cooperatives are granted a subsidy, which is equal to the extent of the export duty. Private concerns, however, must pay this charge. In addition, an export tax (aforo) must be paid. All shippers, whether cooperative or private, must pay this. It consists of a tax that is computed at 12 percent of the prevailing set valuation of 220-pound bags, which is changed frequently. Over the past few years it has shown wide fluctuations, running from no charge whatsoever to as high as 6 pesos (\$1.24) per bag. Presently, it is about 1.60 (33 cents).

Douglas M. Crawford

LATE COMMODITY DEVELOPMENTS

GRAINS, GRAIN PRODUCTS, AND FEEDS

AUSTRALIAN WHEAT PROSPECTS CONTINUE FAVORABLE

The widespread drought in Australia continued unbroken at the end of September, and trade sources report that a considerable part of the wheat acreage has been lost. The drought areas extend over Victoria, southern New South Wales, and parts of South Australia. Crop conditions in northern New South Wales and in the minor wheat-producing State of Queensland are, in contrast, reported as excellent, while in Western Australia prospects are said to be only fair.

The Australian Wheat Board, in a preliminary survey, placed the prospective outturn at around 66 million bushels, which would be the smallest production since 1919. The current forecast compares with the small 1943 crop of 108 million bushels and the average of 162 million bushels for the 10 years ended with 1942. At the estimated level the crop would fall slightly short of domestic requirements, which are placed at from 70 to 75 million bushels, and a small part of the country's utilization, as well as total exports, would need to come out of carry-over stocks.

CANADIAN HARVEST PROGRESS

Harvesting was making slow progress throughout the Prairie Provinces of Canada in late September. Cutting of wheat and feed grains had been virtually completed in most areas. A considerable proportion of the grain in central and northern Alberta, however, remained uncut. Some frost damage was reported to uncut grain in northern Alberta, and considerable deterioration in grade was reported, as the result of frost, in the Prince Albert district of Saskatchewan.

Threshing conditions were variable, with the best progress reported in Saskatchewan. Threshing was reported to be fairly general throughout the Province, and almost 60 percent of coarse grains, as well as wheat, had been threshed. This compares favorably with progress made at this time last year. Threshing was least advanced in Manitoba, with about 40 percent of the total completed, compared with 60 percent a year ago. The poor progress was the result of unfavorable weather, particularly in the Red River Valley where warmth was needed to dry grain in flooded fields. It is feared that a large proportion of the crop may be lost

entirely in that area. The Minister of Agriculture of Manitoba estimates that crop losses from bad weather this year are the heaviest in the history of that Province.

VEGETABLE OILS AND OILSEEDS

LOW OLIVE-OIL PRODUCTION EXPECTED IN SPAIN

The prospective olive-oil production from the 1944-45 olive crop in Spain is estimated by private sources at 165,000 to 240,000 short tons of edible oil, as compared with the near-record production of around 440,000 tons for last year's crop. Production of sulphonated olive oil usually amounts to an additional 10 percent. The decline is attributed chiefly to the cold weather that prevailed during the spring months when the trees were in bloom.

The 1944-45 production apparently will be insufficient for domestic consumption, which under present ration restrictions amounts to about 310,000 tons annually. The deficiency was anticipated earlier, however, and is expected to be offset by stocks of edible oil reserved from the 1943-44 production.

Stocks of sulphur oil were estimated early in August at 22,000 to 33,000 tons. Price ceilings and a scarcity of solvents are reported to have caused accumulation of relatively large stocks of "orujo," residue from olive oil pressing, which have not been treated for sulphur oil.

Exports of edible olive oil during the first 6 months of 1944 consisted of a small quantity to Germany and insignificant quantities to Chile, Cuba, and Uruguay for Spanish Government employees residing in those countries. Stocks of edible oil are believed to be sufficiently high to permit the export of small quantities in coming months.

COTTON AND OTHER FIBERS

COTTON PRODUCTION CONTINUES TO DECLINE IN IRAN

Following the downward trend of the past 5 years, Iran's cotton production is

estimated at about 50,700 bales (of 478 pounds) for the current season. Last season (1943-44), production amounted to about 92,200 bales compared to 119,900 in 1942-43, 184,500 in 1941-42, and 207,500 bales in 1940-41. Average production in the pre-war years 1935-1939 was about 175,000 bales. The decrease in production is believed to be due to the confused economic situation brought on by the war, and by the feeling of insecurity in many of the production areas.

The total potential requirements of Iranian mills for the present season are estimated by the Middle East Supply Center to be about 80,000 bales of cotton. The Cotton Department of the Ministry of Agriculture, however, does not expect to buy more than 42,000 bales of the total production for the year. Estimates are that the balance of the local production, some 9,000 bales, will be retained by the growers, for use in home industries.

In years past, Iran was an exporter of cotton, but due to decreased production in recent years, large quantities of cotton have had to be imported to meet normal demands. In the past calendar year, Iran imported about 21,000 bales of cotton, of which about 12,000 bales came from Egypt. Due to the decreased production, there is little possibility that Iran will export any cotton in the coming year.

Distribution of cotton is still in the hands of the Cotton Department of the Ministry of Agriculture. The Government monopoly purchases the entire crop, or as much as is offered for sale, and sells the fiber to mills in the country. The Cotton Department has the responsibility of promoting production, regulating trade in cotton, purchasing the crop, and, in general, has fairly tight control over the industry.

FRUITS, VEGETABLES, AND NUTS

VALENCIA RAISIN PRODUCTION SLIGHTLY HIGHER THAN 1943

Unofficial estimates place the 1944 production of raisins in the Valencia region of Spain at about 6,000 short tons, which is

10 percent over the 1943 estimate. Of this amount, 10 percent will be of a seedless variety. Growing conditions have been favorable this year and the crop is reported to be of good quality.

Foreign movement has been on a reduced level during 1944; only small exports have gone to Switzerland. There are still small quantities of old-crop raisins stored at the border waiting transportation to Switzerland. At the conclusion of the drying season about 825 short tons will be carried over from the old crop. Presently there is little market activity, but as soon as the new crop is available, the demand is expected to increase.

LIVESTOCK AND ANIMAL PRODUCTS

URUGUAYAN CATTLE RAISERS FEAR ANOTHER DROUGHT

Cattle raisers and farmers in Uruguay are now beginning to feel some apprehension at the threat of another prolonged drought, such as occurred in late 1942 and early 1943. Their fears were somewhat alleviated after the general rain that fell in late July, which improved pasture prospects temporarily. Conditions have since become less favorable. Rainfall this year has been 6 inches under the annual average, and all wells, streams, and rivers are reported to be very low.

Cattle numbers are now below normal, as a result of the last drought and the heavy kill for export in the early war years. So far this year arrivals in the Montevideo market have been 39 percent below the average for the same period of the years 1938-1943. August receipts, amounting to only 24,700 head, were the smallest of any month in many years.

In addition to rainfall scarcity, the winter (June-August) oat crop was practically destroyed by the spring aphid. This crop is normally used as a winter feed for cattle, and until spring pastures come in, cattle offerings in Montevideo are expected to be relatively small. Montevideo is reported experiencing a meat shortage at present.

TURKISH LIVESTOCK SHOWS DECREASE

The adverse effects on livestock in Turkey of the severe winter of 1941-42 are shown in the subsequent general reduction in numbers of all livestock in that country. Sheep numbers dropped 6 percent from 1941 to 1943. Common goats also were down 6 percent, and cattle were reduced 10 percent. Angora goat numbers increased from 1941 to 1942, but dropped 380,000 head in the next year. The number is now the smallest since 1936. Turkey is the only country besides the United States and the Union of South Africa where there are an appreciable number of Angora goats.

TURKEY: Livestock numbers in 1943 with comparisons ^{a/}

CLASSIFICATION:	1941	1942	1943
	:	:	:
	:Thousands:Thousands:Thousands		
Cattle	7,935	7,588	7,171
Buffaloes	738	690	650
Total	8,673	8,278	7,821
Hogs	1	1	1
Sheep	18,805	17,283	16,125
Goats -	:	:	:
Angora	3,650	3,703	3,321
Other	9,179	8,832	8,495
Total	12,829	12,535	11,816
Horses	748	763	716
Mules	68	70	70
Asses	1,434	1,354	1,218
Camels	99	97	90
	:	:	:

Compiled from official sources.
^{a/} Number taxed only.

NEW ZEALAND MEAT PRODUCTION EXPECTED TO SHOW INCREASE IN 1944-45

Weather and pasture conditions in New Zealand during the past winter (June-September) were favorable for livestock, which are reported to be in very good condition. If conditions continue favorable, total meat output in the marketing year beginning October 1944 is expected by the New Zealand Department of Agriculture to exceed that of the year just ended by possibly 10 percent.

LATE REGIONAL DEVELOPMENTS

GREAT BRITAIN ESTABLISHES AGRICULTURAL ADVISORY SERVICE

Establishment in Great Britain of a National Agricultural Advisory Service, under the Minister of Agriculture, is provided for in the Agriculture (Miscellaneous Provisions) Act, 1944. The purpose of the service is to provide free technical advice and instruction to farmers on practical and scientific matters concerning agriculture. The Act thus adopts the recommendations made by the Luxmoore Committee on post-war agricultural education.

The new service will replace the dual system existing before the war under which there was on the one hand a general advisory

service by individual county councils and, on the other, a specialist service run by university departments of agriculture and agricultural colleges. Farm institutes will not, however, be placed under the same central control as advisory services, but will remain with local authorities.

Among the other provisions of the Act is the increase in the fund for the Agricultural Mortgage Corporation in order to enable landowners to borrow at more reasonable rates of interest for the repair and modernization of farm buildings and equipment.

The Act also provides for 50-percent grants to meet the cost of water supply to farmhouses and cottages.

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